

SUPERANNUATION POLICY – THE MRC PENSION SCHEME

Content

Document Control Summary

Policy statement

- 1. Principles**
- 2. Eligibility**
- 3. Benefits**
- 4. Entry**
- 5. Withdrawal**
- 6. Contributions**
- 7. Death in Service**
- 8. Related documents**
- 9. Effective date**
- 10. Amendment history**

SUPERANNUATION POLICY – THE MRC PENSION SCHEME

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Document Control Summary

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MRC SUPERANNUATION POLICY – THE PENSION SCHEME

The main provisions of the Medical Research Council's Pension Scheme are outlined in the booklet entitled 'MRCPS guide for members' which is issued to all members. This document can be downloaded from the Pension section on the Portal.

Policy statement

The Medical Research Council ("MRC") recognises the importance of financial security and protection for its employees, both now and in the future, and assists employees in achieving this through the provision of the MRC's Pension Scheme (the "Scheme").

Membership of the Scheme has been available to all eligible employees since 1 June 1975. From 6 April 1998 membership has been voluntary.

The Scheme is set up under trust and is governed by rules, copies of which are available from Unit Administrators. Copies of the trust deed and the rules may also be examined at MRC Head Office by arrangement with the secretary of the MRC Pension Trust Limited.

Some employees who were in post on 1 June 1975 elected to retain membership of the Federated Superannuation System for Universities (FSSU) or the National Health Service Superannuation Scheme (NHSSS). Information about these schemes and about the MRC's supplementation scheme for those in FSSU is available from the Pensions Secretariat at Head Office.

This policy describes the MRC's approach to pensions provision, the high level rules of the Scheme and where to find further information. The information provided in this policy is intended as a brief overview of the Scheme and does not override its definitive rules. If there should be any discrepancy between the rules and this policy the rules will prevail.

The Superannuation Policy – The Pension Scheme (the "Superannuation Policy") has been agreed with the National Trade Union Side and complies with statutory legislation as well as ACAS best practice. In addition, the MRC's policies are assessed for language accessibility and equality impact. The MRC's operational activities are regularly reviewed with key stakeholders and Trade Unions, which in turn contributes to the further development of the MRC's policies.

The Superannuation Policy applies to all eligible employees of the MRC. This includes those employed on temporary or fixed term contracts but excludes those who have been given honorary status, visiting workers, students or those workers provided by a third party agency.

MRC SUPERANNUATION POLICY – THE PENSION SCHEME

1. Principles

- 1.1 The assets of the Scheme will be invested for the benefit of the MRC's employees and their families in retirement.
- 1.2 All new employees will be provided with information about the Scheme.
- 1.3 Membership of the Scheme is voluntary. However, new employees will be entered into the Scheme automatically.
- 1.4 The trustees of the Scheme (the "Trustees") will provide members with an annual statement of benefits.

2. Eligibility

- 2.1 All employees of the MRC, or an associate employer who has been granted access to the MRC Pension Scheme by the Trustees, may become members of the Scheme unless they:
 - a) are within two years of normal retiring age¹ or,
 - b) were employed by the MRC when the Scheme first commenced on 1 June 1975 but did not elect to join the Scheme at this time.
- 2.2 The following employees are ineligible:
 - a) those appointed overseas as local employees;
 - b) those seconded to the MRC who are members of another pension scheme;
- 2.3 There are additional restrictions on entry imposed on employees, including those who have previously opted not to join the Scheme or have opted out of the Scheme.

¹ Normal retiring age for all members is 65 years. Members who were already in post on 1 September 1997 and who previously had a retiring age of 60 years were given a once-only opportunity of retaining a retirement age of 60 years or opting for a retirement age of 65 years.

MRC SUPERANNUATION POLICY – THE PENSION SCHEME

3. Benefits

- 3.1 The Scheme is a defined benefit occupational pension scheme, which provides benefits to members based on their service as a member of the Scheme and final salary upon retirement.
- 3.2 The benefits payable under the Scheme at normal retirement consist of:
- a) an annual pension of 1/80th of pensionable salary at date of retirement multiplied by the number of years of reckonable service, and
 - b) a tax free lump sum retiring allowance of three times the amount of annual pension.
- 3.3 Pension benefits cannot be paid before normal retiring age except in the case of:
- a) ill-health retirement (subject to medical evidence of permanent incapacity and management approval);
 - b) approved early retirement (subject to certain criteria and management approval);
 - c) actuarially reduced early retirement (subject to certain criteria but with no management veto);
 - d) a deferred pensioner who is awarded a pension at the Trustees' discretion (with the consent of the employer) on compassionate grounds.
- 3.4 Further details of the benefits paid are set out in the 'MRCPS guide for new members'.

4. Entry

- 4.1 New employees who meet the qualifying conditions and are eligible for membership are automatically enrolled in the Scheme. They have the right to withdraw from the Scheme retrospectively within the first three months of membership by giving notice in writing to the provider. In this case contributions will be refunded and employees will be deemed to have never been a member of the Scheme.
- 4.2 Existing employees may apply to join or rejoin the Scheme provided they meet the eligibility conditions set out above and they:
- a) have not previously rejoined the Scheme. (After withdrawing from membership, employees normally have only one re-entry option);
 - b) can satisfy the Trustees that they are in good health.

5. Withdrawal

- 5.1 Existing members are also entitled to withdraw from the Scheme while remaining in the MRC's service. They will have one option to rejoin the Scheme and this will remain available up to two years before normal retiring age.

6. Contributions

6.1 Members' contributions

- 6.1.1 Members' contributions are based on a percentage of salary as follows:

(a)	contributing members whose normal retiring age is 65	6.5%
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MRC SUPERANNUATION POLICY – THE PENSION SCHEME

(b)	contributing members whose normal retiring age is 60	6.25%
(c)	contributing members who were in the former maintenance staff category whose normal retiring age is 65	5.5%
(d)	contributing members who were in the former maintenance staff category whose normal retiring age is 60	5.25%
(e)	members who were in the former maintenance staff category	5.0%
(f)	all other members	6.0%

6.1.2 The Scheme is recognised by Inland Revenue as an exempt approved scheme and members' annual contributions rank for full income tax relief. The MRCPS is a contracted-out pension scheme, which means that members are contracted out of the State Earnings Related Pension Scheme (SERPS) and pay a lower rate of national insurance.

6.2 MRC contributions

6.2.1 As well as meeting all administrative costs, the MRC also makes a contribution to the Scheme in order to provide retirement benefits for its employees. This is in addition to the amount employees are expected to contribute. Further details of the MRC's contributions are outlined in the 'MRCPS guide for new members' available on the Portal.

6.2.2 All money paid into the Scheme is held in one fund which is invested by the Trustees on behalf of all members, past and present.

6.3 Additional voluntary contributions

6.3.1 Members may make additional voluntary contributions (AVCs) in order to buy additional years of reckonable service under the scheme or to invest in unitised funds offered by Standard Life. Further details on buying added years and investing with Standard Life can be obtained from MNPA.

7. Death in Service

7.1 In the event of the death of a member whilst in the MRC's service certain benefits are payable to the member's widow/widower and to any eligible children. At the Trustees discretion, pension benefits may be payable to an adult dependant (where the member is unmarried at the time of death) and lump sum benefits may be payable to one or more persons recognised by the Trustees as beneficiaries of the deceased member. Further details are set out in the 'MRCPS guide for new members' available on the Portal.

8. Related documents

8.1 Further information about the Scheme is provided in the following documents:

- MRC Pension Scheme - Your Guide ("MRCPS guide for new members")
- Frequently Asked Questions about the MRC Pension Scheme
- MRC Redundancy and Early Retirement/Severance Benefits Guide (also known as the 'Blue Book')

All of these documents can be found within the Pensions area on the MRC Portal.

MRC SUPERANNUATION POLICY – THE PENSION SCHEME

9. Effective date

9.1 This policy is effective from 1 March 2009.

10. Review date

10.1 This policy will be regularly reviewed to incorporate any legislation changes and will be formally reviewed in March 2012.

11. Amendment history

Version	Date	Comments/Changes
0.1	November 2008	Amended by Corporate HR as part of project review of HR policies.
0.2	November 2008	Amended to reflect TUS comments.
1.0	1 st March 2009	Release of revised policy.